Government of India is primarily responsible for the development of national highways in the country. The States including the State of Gujarat have been demanding more funds for the development of National Highways.

(b) to (d) The allocation are made State-wise and not city-wise. The funds are released to various States keeping in view the status of on-going works, inter-se priority of works and the overall availability of funds.

Percentage of Indian Fleet

7232. SHRI SANATAN BISI: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) what is the percentage of Indian fleet vis-a-vis the total world fleet; and

(b) the details of items which contribute for a large part of carriage in Indian ships?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) and (b) The Indian fleet constitutes around 1.42% of the total world fleet in terms of Gross Registered Tonnage. Petroleum, Oil, Lubricants (POL)/ product and other liquids contribute for a large part of carriage in Indian ships.

Investment required in the Indian Shipping Industry

7233. SHRI SATISH PRADHAN: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether curbs/restrictions imposed on external commercial borrowings and withdrawal of exemption of withholding fare on such borrowings, have virtually curtailed ship-owners access to foreign credit required for purchase of ships;

(b) if so, whether Government have received representations to this effect from the shipping companies and, if so the details thereof;

(c) the details of action taken/proposed thereon, for redressal of genuine problem of ship-owners; and

(d) what is the estimated fresh investment required by the shipping industry to meet the target set by the Tonnage Acquisition Committee (TAC) for Indian shipping industry and the steps taken/proposed to be taken to help the industry mobilise funds required?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) to (d) The Indian National Shipowners' Association have submitted a memorandum to the Ministry of Finance and to the Ministry of Surface Transport, about the likely adverse effect on access to foreign credit for ship acquisition due to;

(i) Withdrawal of exemption from Withholding Tax on interest payment of External Commercial Borrowings by amending Section 10(15) (iv) of the Income Tax Act.

(ii) As per the revised ECB guidelines the average age of loan has to be 7 years for the loan over US $ 15 million. Since the loans are amortised on the basis of equated instalments and not on the basis of bullet payment (one time payment) to achieve average life of 7 years, the tenure of loan has to be between 13 to 14 years. Such long term loans are not easily available and also more expensive in terms of rate of interest and loan covenants. This will place additional financial burden on the Indian Shipping Companies and make the ships acquired through such loans economically unviable in the international market as the Indian Shipping Companies cannot pass the additional burden to their customers. Further, such loans cannot be used for purchase of second hand ships as the balance life of second hand ships may be lesser than the average life of the loan. Industry therefore desires that Government may adopt age norms for loans applicable to Organisation for Economic Co-operation and Development loans where tenure of loans is maximum 8 years.

The Ministry has not only supported, but has also taken up all issues raised by the Indian National Shipowners' Association with the Finance Ministry.